STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2002-161

April 26, 2002

PUBLIC UTILITIES COMMISSION
Interim Electric Energy Conservation Programs

PROPOSED ORDER ESTABLISHING GOALS AND CRITERIA FOR INTERIM CONSERVATION PROGRAMS

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

I. SUMMARY

This Proposed Order considers various matters regarding the selection of interim electric energy conservation programs that are implemented pursuant to P.L. 2001, ch. 624, Section 7. These include program goals, cost effectiveness tests, program candidates, and the decision making process that the Maine Public Utilities Commission will use when selecting and implementing interim programs. The Proposed Order solicits comments from interested persons on these subjects. A public hearing will be held on May 10, 2002, and written comments will be due by May 17, 2002. The Commission will then issue a Final Order.

II. BACKGROUND

P.L. 2001, ch. 624 (the Conservation Act),[1] enacted during the second session of the 120th Legislature, establishes terms that govern an electric energy conservation program in Maine. Section 4 of ch. 624 directs the Maine Public Utilities Commission (Commission) to develop and implement electric energy conservation programs that are consistent with the goals and objectives of an overall energy conservation program strategy that the Commission must establish. The programs must be cost-effective, according to a definition that the Commission also must establish. Various other statutory directives require the Commission to promulgate rules and hold public hearings.

Recognizing that the process of implementing electric energy conservation programs will necessarily take many months, the Legislature authorized the Commission to implement interim programs. Section 7 of ch. 624 states:

> **Interim programs.** In order to avoid a significant delay in the implementation of conservation programs pursuant to the Maine Revised Statutes, Title 35-A, Section 3211-A, the Public Utilities

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[1] The Conservation Act is contained in Appendix A.

> Commission may use funds from the conservation program fund established pursuant to Title 35-A, section 3211-A, subsection 5 to implement on a short-term basis conservation programs that the commission finds to be cost effective. The commission is not required to satisfy the requirements of Title 35-A, section 3211-A before implementing such programs. Any programs implemented under this section must terminate no later than December 31, 2003. Funds in the conservation program fund not used for short-term programs under this section must be used in accordance with Title 35-A, section 3211-A.

The Commission intends to implement interim programs during the summer of 2002. We expect to begin implementing longer term programs during 2003.

Through a "final" Order, we will establish the cost effectiveness tests, objectives, and other criteria that we will use to choose interim conservation programs. To the extent possible based on written comments and public meetings with energy delivery companies and stakeholders, we also will establish specific interim programs in the Final Order. To the extent that we cannot establish specific interim programs in the final Order, we will establish our procedures for choosing programs. We issue this Proposed Order to obtain input from interested persons on these matters. In the Proposed Order, we state our initial preferences regarding program objectives and criteria, list programs that we consider to be candidates for implementation in the interim period, and state the procedures we will follow to choose and implement programs. We invite comment on all questions that we pose in the Proposed Order, on our stated preferences, and on any other matter related to interim conservation programs. After we review comments, we will issue the Final Order containing our decisions.

III. BASIS FOR APPROVING INTERIM CONSERVATION PROGRAMS

The Conservation Act requires only that the Commission implement interim programs that it finds cost effective.[2] In Implementing section 7 of the Act, we seek to answer three broad questions: (1) how will we evaluate the cost effectiveness of specific interim programs, (2) to what extent should we consider the provisions of newly-enacted 35-A M.R.S.A. § 3211-A (section 4 of the Act) when approving interim programs, and 3) are there other criteria to consider? In the following paragraphs, we state our initial preferences regarding the answers to these questions. We invite comments on whether they are appropriate and whether we should follow alternative approaches. We wish to stress that, even

[2] A program cannot definitively be found cost effective until after it has been in operation for some period of time and an evaluation has been performed. We interpret the Act's requirement to require that we determine that an interim program is highly likely to be cost effective.

though in places this Proposed Order, like our examiner's reports, may read like a final order, it is not final in any respect. All decisions described in this Order are preliminary and subject to change after we receive written and oral comments.

A. Cost Effectiveness

1. Appropriate tests. Cost effectiveness testing for conservation programs has a long history before this Commission. For example, the Electric Rate Reform Act stated 25 years ago that

> The Commission, as it determines appropriate, shall order electric public utilities to submit specific rate design proposals and related programs for implementing energy conservation techniques and innovations … Such proposals shall, as the Commission determines, be designed to encourage energy conservation, minimize the need for new electrical generating capacity, and minimize the costs of electricity to consumers… (Public Laws, 1977, Chapter 521).

Thus, we have spent the last twenty-five years considering, and periodically reconsidering, how to test whether proposed conservation measures are likely to minimize electricity (and sometimes other) costs. The debate typically is framed in terms of which of various cost effectiveness tests should be applied. That debate is generally reducible to a debate over our goals in adopting conservation programs.

Our last thorough review of this question was in 1988, when we adopted amendments to Chapter 380, Demand Side Energy Management Programs by Electric Utilities, (Docket No. 88-178).[3] When considering the cost effectiveness of interim conservation programs, we propose to use the cost effectiveness framework established in the original Chapter 380 (Ch. 380-O).

Ch. 380-O defined three cost effectiveness tests, but principally relied upon the "All Ratepayers Test." This test measures whether a proposed conservation program provides the same level of end use (e.g. lighting or hot water) at a lower overall net cost to utilities and ratepayers taken together.

[3] This version of the rule was replaced in 1999 with a new version reflecting the provisions of 35-A MRSA §3211, which assigned many of the responsibilities for conservation programs to the State Planning Office. The Conservation Act repeals §3211 and returns responsibility for conservation programs to the Commission.

The second cost effectiveness test in Ch. 380-O was the "Rate Impact Test." This test measures the impact of a conservation program on the overall average rate of the electric utility (in $ per kWh) rather than the total dollar cost. This is a stricter test than the All Ratepayers Test. A decline in electricity use, from a conservation program or for some other purpose, will tend to reduce the utility's profit, to the extent the reduction in revenue from lower sales is greater than the utility's savings from lower sales. At the present time, with utilities limited to the T&D business and continuing to carry substantial stranded costs in their rates, it is unlikely that many conservation programs will pass the Rate Impact Test.[4]

The third cost effectiveness test in Ch. 380-O was the Societal Test, which included all elements of the All Ratepayers Test as well as "environmental benefits and any other social benefits external to the transaction between the utilities and its customers."

Ch. 380-O provided for automatic approval of any programs that passed both the All Ratepayers Test and the Rate Impact Test and for programs that passed the All Ratepayers Test and did not have a significant (defined as one percent) impact on the average rate per kWh. There was no indication in Ch. 380-O of how, if at all, the Societal Test should be employed in analyzing conservation programs.

For purposes of determining the cost effectiveness of interim conservation programs, our initial preference is to utilize the framework established in Ch. 380-O. We would rely primarily on the All Ratepayers Test to screen for cost effectiveness but would also consider whether conservation programs, or groups of programs, are likely to have a significant impact on rates.[5] In addition, just as Ch. 380-O provided the Commission with flexibility to approve programs that did not meet these thresholds, we would not automatically reject programs that fail to meet either or both of these tests if there is sufficient evidence that the programs are likely to prove cost effective by some other reasonable measure. For example, we might approve an interim program that targets specific ratepayer populations or a pilot program that aids in gathering information to develop future conservation programs.

2. Calculation of costs and savings. Beyond the specific choice of which cost effectiveness tests to use, there are also data issues. While program costs and energy savings can be considered on a case-by-case basis, certain principles apply to all programs.

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[4] The exception here may be conservation programs which are primarily focused on use during on-peak periods.

[5] Under alternative rate plans, some utilities' rates would not be affected immediately, if at all.

First, we can establish methods for converting energy savings into dollar costs. Ch. 380-O relied on estimations of avoided costs. Prior to restructuring, the Commission periodically approved avoided costs for each of the large electric utilities. However, we no longer routinely determine avoided costs explicitly. For purposes of considering interim conservation programs, we propose to analyze generation cost savings by looking to the competitive generation market for generation cost savings. For residential and small commercial and industrial (C&I) customers, we would use the prices under existing standard offer contracts for the remaining term of those contracts, since most residential and small C&I customers take service under the standard offer. For other customers, we would base estimates of cost savings on current market conditions as reported in the trade press (e.g. the Natsource quotes of electricity prices for futures contracts). Where the futures market is thinly traded, we would rely on the next best available sources[6].

We propose to base delivery cost savings (i.e., the costs saved for transmission and distribution) on the marginal T&D costs used to evaluate special rate contracts under utilities' pricing flexibility programs. The Commission routinely approves marginal costs for some utilities. We plan to use reasonable estimates of marginal costs for utilities that have not filed marginal costs in recent years.

Finally, many states currently use cost-benefit tests that include costs or benefits associated with non-electric resources (e.g., increased use of gas or water), customer O&M expenses (e.g., reduced maintenance on a more efficient product), post-program adoption (e.g., the removal of an efficiency measure), and so-called "spillover effects" (e.g., additional adoption of efficiency measures in response to customers' satisfaction with the original measure). The All Ratepayers Test does not preclude considering such costs and benefits, and we would do so to the extent they can be reasonably well quantified and are reasonably certain to occur.

3. Ability to calculate cost effectiveness. Conservation programs may be divided broadly into two categories, which we will call primary-effect programs and secondary-effect programs. Primary-effect programs are those in which program funding is directly related to kWhs saved. For example, a program that pays a customer a fixed rebate to replace an existing motor with a more efficient motor is a primary-effect program. Program planners can be reasonably certain that some level of savings will occur and can either directly measure the savings or can make a reasonable calculation of savings based on engineering estimates.

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[6] For example, the US Department of Energy routinely publishes forecasted energy prices. See http://www.eia.doe.gov/oiaf/aeo/index.html.

Secondary-effect programs are those in which funding is paid to an intermediary, who in turn uses the money for one of a variety of purposes aimed at influencing an energy consumer's behavior. For example, an education or advertising program funds an entity that then influences consumers to use less energy or use it more efficiently. In this instance, cost effectiveness is more difficult to measure, since there is no direct link allowing program planners to measure behavior that results from the program.

While we recognize that both types of programs have advantages and disadvantages, our initial preference is to favor primary-effect programs in the interim period. Secondary-effect programs necessarily require more investigation before we can ascertain effectiveness and therefore we are less likely to be able to evaluate their cost effectiveness sufficiently to implement them on an interim basis this summer. We invite comments about whether we should favor primary-effect programs in the interim period. Commenters who disagree with our preference should offer suggestions for how we can assess cost effectiveness adequately while implementing secondary-effect interim programs in a timely manner.

B. Other Objectives Stated in the Conservation Act

In addition to requiring cost beneficial programs, newly-enacted 35-A M.R.S.A. § 3211-A (section 4 of the Act) establishes specific objectives that the Commission must consider when developing its statewide plan. Subsection 2 of Section 3211-A states that the Commission shall:

1. target 20% of funds to low income consumers;
2. target 20% of funds to small businesses; and
3. allow all other customers a reasonable opportunity to participate in a program.

In addition, the Commission must consider programs that (summarized):

1. increase consumer awareness;
2. create favorable market conditions for efficient products;
3. promote sustainable economic development; and
4. promote reduced environmental damage.

While the Act relieves the Commission of the obligation to apply the statutory criteria to its interim programs, it clearly indicates the Legislature's preference for accomplishing specific policy goals. Thus, our initial preference is to choose a portfolio of interim programs that meet the statutory criteria to the extent practical. We will not attempt to reach the target percentages stated in the Act. However, when evaluating a candidate program, we will consider its success in accomplishing an objective stated in the Act, and will attempt to

choose programs that, when taken together, accomplish as many of these objectives as possible.

C. Other Criteria

The Act requires that interim programs be discontinued no later than December 31, 2003. With this in mind, we will consider three additional criteria when choosing interim programs.

1. Quick start-up. A candidate program should have an established delivery system that can be activated in less than two months. Programs that are currently operating in Maine or a nearby state are good candidates for this purpose.

2. Potential as a pilot. We will consider programs that will provide information that will be useful when choosing permanent statewide programs. Such programs may use one customer to gain insight into larger numbers of customers, may aid in determining if a delivery system is effective, or may aid in quantifying costs and benefits.

3. Proven successful elsewhere. Because we have only a few months to choose interim programs, we will rely on information already learned in Maine or in other states. Programs that have proven to be indisputably cost beneficial or to clearly meet a target objective are good candidates for this purpose.

IV. EVALUATION

The Act requires that we determine that interim programs are cost effective. For this reason, as well as to inform our longer term conservation decisions, we intend to perform evaluations on the effectiveness of interim programs in meeting cost effectiveness tests and other objectives of the Act. We invite interested persons to comment on the most effective means of performing these evaluations.

V. CANDIDATE INTERIM PROGRAMS

Using the cost effectiveness approach, objectives, and criteria discussed earlier, we have identified programs that are reasonable candidates for inclusion in the interim program portfolio. More thorough investigation must be done before we conclude which of these programs should be implemented. In addition, the cost of all potential interim programs must be determined, to ensure that we maintain a reasonable spending level.

In this Proposed Order, we describe each candidate program and its likely success in meeting the criteria for interim programs. We invite comment on our preliminary assessment of these programs and on the specific questions we ask about each program. Interested persons may also comment on any other interim program we should consider, including its cost benefit effect, its success in reaching the objectives stated in the Act, and its success in meeting our additional criteria for interim programs.

A. Facilities Manager/Building Operator Certification Programs

1. Program description. The Building Operator Certification (BOC) program is an educational program targeted at the small commercial and institutional sectors. The Commission would contract with the Northeast Energy Efficiency Partnerships, Inc. (NEEP) to offer its BOC program in Maine. The program is a competency-based training and certification for building operators designed to improve the energy efficiency of commercial buildings. Operators earn certification by attending training sessions and completing project assignments in their facilities. The certification provides a credential for their professional development while also offering employers a way to identify skilled operators. The Conservation Fund could partially fund tuition as an incentive to attend. The cost to offer this program in Maine through NEEP is likely to be approximately $230,000.

2. Advantages. The BOC program is a secondary-effect program. Thus, its cost effectiveness is difficult to quantify. However, the BOC program trains people whose function is to make energy decisions for businesses, and is therefore more directly linked to energy behavior than are many secondary-effect programs. An evaluation, performed by an independent consultant in 2001, of a similar program that has been operational in the Northwest for three years determined that the program had a benefit-cost ratio of 7.8.

The BOC program meets four of the objectives and criteria for interim programs discussed earlier. It allows relatively quick start-up because a regional program exists and one utility currently has a tariff pending at the Commission. It is available for small businesses. It creates favorable market conditions for efficient products because it educates a wide range of people whose function is to purchase and manage energy products. Finally, it promotes sustainable economic development because it results in permanent improvement in building construction and operation, thereby lowering the energy costs of businesses that employ the lessons learned from the program. The program has spillover effects as well. Operators who are trained in the program will take their knowledge and skills with them when they change employer. Thus, other buildings benefit from the training.

In addition to comments on the success of this program in meeting the objectives and criteria of an interim program, we invite comment on whether the BOC program duplicates the education program already offered to energy managers in Bangor Hydro-Electric (BHE) Company's territory.

B. State Buildings Program

1. Program description. This program would target state-owned buildings and would be conducted jointly with the Department of Administrative and Financial Services (DAFS). The Conservation Fund would be used to retrofit facilities or equipment at State facilities that would remain less efficient absent the financial incentive. DAFS would propose projects that would result in a higher level of efficiency, but that cannot be completed due to a lack of funding. This program is expected to be cost effective because the Commission or its consultant would screen projects to ensure they meet the All Ratepayers Test.

2. Advantages. The state buildings program is a primary-effect program. Therefore, cost effectiveness will be measurable and will be highly likely to occur through the selection process.

In addition to guaranteed cost effectiveness[7], the program meets three criteria for interim programs. It allows a wide number of Maine's citizens to indirectly participate by virtue of impacting a state building that is funded by all taxpayers. It creates a favorable market condition for efficient products because it increases the knowledge of individuals whose function is to construct and maintain multiple buildings. Finally, it is an effective pilot for a commercial building retrofit program targeted to a wider variety of businesses.

C. Residential Lighting Program

1. Program description. This program would improve the efficiency of residential lighting. The Commission would contract with an energy service organization to promote Energy Star Lighting (ESL) products throughout the State. Consumers buying the efficient lights would be eligible to receive rebates. The program goal would be to increase the energy efficiency of residential customers. The estimated cost of this program would be approximately $700,000 per year.

2. Advantages. Evaluations of residential lighting programs in other states have found energy efficient lighting programs to be cost effective.

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[7] Strictly speaking, no program is *guaranteed* to be cost effective. However, primary-effect programs in which a measure is chosen explicitly because it will save a predictable number of kWhs at a known price offer an extremely high likelihood of being cost effective.

Residential lighting programs formerly offered in Maine, although not identical to this program, typically have been evaluated as being cost effective.

The ESL program meets five objectives and criteria for interim programs. It allows relatively quick start-up because contractors who can run such a program already exist. It allows all residential customers a reasonable opportunity to participate, since all homes use lights. It increases consumer awareness because its advertisements will be heard or seen regardless of whether a consumer participates. It creates favorable market conditions for efficient products because it improves consumers' and retailers' knowledge of an efficient product. Finally, it is an effective pilot for an ongoing lighting program operated by local vendors.

In addition to comments on the success of this program in meeting the objectives and criteria of an interim program, we invite comment on whether a Maine-based or a regional approach will be more effective in meeting interim program goals.

D. School Education Program

1. Program description. There are two Maine-based energy curricula – the Maine Energy Education Program (MEEP) and Maine Public Service Company's (MPS) energy advisor program - and there are a variety of regional or national programs that could be adopted in Maine. MEEP recently provided a proposal for a one-year program at a cost of $83,500.

Many conservation stakeholders view school-based education as an important component of state conservation efforts because these programs appear to help produce an energy literate citizenry. These programs appear to influence current and future conservation actions and efficiency purchases as children, teachers and school facilities managers who participate in these programs, and perhaps also their families, make energy-related decisions and purchases. MEEP's programs include workshops, classroom projects, and training seminars for children and their teachers, and MEEP's energy patrols and Green Schools programs, which train students, and often involve school facility managers, in identifying and implementing actions to reduce school energy consumption. The Green Schools program also sometimes includes energy audits by energy efficiency professionals to influence actions taken at these schools.

2. Advantages. A school education program is a secondary-effect program. Because it trains children, its link to energy behavior is particularly difficult to measure. We know of no cost benefit analysis done on the MEEP program. However, the MEEP program is well-established in Maine, and is relatively inexpensive to fund for the interim period while a permanent conservation plan is developed.

The MEEP and MPS programs meet three of the objectives and criteria for interim programs. They allow quick start-up, since they are already in operation. They allow a wide variety of customers (through their children) to participate, and they increase consumer awareness of conservation options.

The Commission may also work with the Department of Education, the University of Maine, or other qualified educational institution(s) to develop curriculum content that would enhance students' and their families' abilities to understand utility bills and related issues and thereby to use energy more cost effectively. We invite comment on this possibility.

In addition to comments on the success of this program in meeting the objectives and criteria of an interim program, we invite comment on the following questions:

- Should a school-based education program(s) be offered as an interim program even if it does not pass the cost-effectiveness test established for interim programs?
- What is the best means of measuring the effectiveness of school-based education programs, to provide a basis for overall program evaluation and progress payment?
- Are MEEP and/or the MPS program the most appropriate interim programs? Are there other school-based education programs, such working with other organizations to develop energy curricula that would be appropriate as an interim program?

E. Existing Utility Programs

1. Program description. Utilities are currently conducting some energy conservation program activities. These programs should be continued during the early portion of the interim period, while we investigate an orderly transition to other vendors or to a phase-out.[8]

2. Advantages. Current utility programs have been evaluated as being cost effective. They allow quick start-up because they are already in operation. While they meet other objectives and criteria to varying degrees, the primary purpose for continuing these programs is to allow an orderly transition to a permanent portfolio of conservation programs.

[8] CMP's Power Partners program is not included in this category because Section 5 of the Conservation Act makes explicit provisions for contracts operating under this program.

F. Low Income Programs

1. Program description. The Legislature has directed us to allocate about 20% of the conservation spending towards low-income consumers. As part of the investigation led by the Maine State Planning Office, stakeholders investigated a low-income appliance replacement program. Under this program, the Conservation Fund would be used to purchase energy-efficient refrigerators to replace inefficient or malfunctioning refrigerators (or perhaps other appliances) owned by low-income households. The program would be delivered by the Maine State Housing Authority (MSHA) and regional Community Action Program (CAP) agencies who already deliver energy-related programs to low-income households in Maine. The estimated cost for the program was about $800,000, but the program is in a conceptual stage and there are still substantial design issues to be resolved.

Alternative programs exist that are likely to be quicker to implement. For example, an energy service company hired by the Commission might weatherize low-income customers' homes or the Commission might contract with a company to conduct a light bulb replacement program for low-income households. At this time, we have no evidence of the cost effectiveness of any of these approaches.

We invite interested persons to suggest effective interim programs targeted to low-income customers. Commenters should report on the likely cost effectiveness and the success of their suggested programs in meeting the objectives and criteria for interim programs. We also invite interested persons to comment on whether we should implement an interim program targeted to low-income customers, or whether conservation funds would more effectively reach low-income customers by developing an effective long-term program. Finally, we request comments on how the Commission's interim program might complement low-income programs offered by other State agencies and Community Action Programs (CAPs).

G. School Lighting Retrofit Rebates

1. Program description. This program would target school districts throughout the State and, through a rebate, fund the replacement of inefficient lighting with high efficiency lighting. Rebates would be distributed among utility service territories in proportion to the amount of incremental funding provided by the ratepayers in each service territory. This program would likely be cost effective because the Commission or its consultant would screen projects to ensure they meet the All Ratepayers Test. However, no delivery mechanism currently exists. The Commission must hire a vendor or consultant to implement the program, who may be hampered by unavailable school resources during the summer.

2. Advantages. The school lighting retrofit rebate program is a primary-effect program. Therefore, cost effectiveness would be measurable and would be highly likely to be attainable through the selection process.

In addition to being cost effective, the program meets three objectives and criteria for interim programs. It is a useful pilot both for programs that target commercial lighting and for programs that target school districts. It benefits many customers, since all citizens in a community fund the school system. Finally, it may increase consumer awareness within the communities affected, if town leaders and the news media are aware of the program within a particular town.

Alternatively, we are aware of an existing regional program, the Design Light Consortium Program, that offers a school gymnasium lighting template to contractors who are constructing or retrofitting school buildings. We invite comments on the effectiveness of this alternative. We also invite comment on whether targeting school districts would be an effective way to benefit a wider variety of citizens and obtain more awareness of conservation programs than through programs that are available to private businesses.

H. NEEP Motor Up Program

1. Program Description. NEEP's "Motor Up" program promotes premium efficiency motors as the standard for motors sold in the Northeast region to commercial and industrial users. The Northeast Premium Efficiency Motors Initiative is now offering incentives for motors that meet the Consortium for Energy Efficiency standard for premium motors purchased in New Jersey and several New England states. Other Initiative activities include coordinated marketing, technical assistance to manufacturers, vendors and customers, and program evaluation. This initiative is actively coordinated with U.S. DOE's Motor Challenge Program. This program was selected as part of the SPO's plan upon the recommendation of Xenergy, an independent energy consulting firm.

2. Advantages. Motor Up is, to some extent, a secondary-effect program, so savings may be difficult to measure. However, an independent energy consulting firm estimates that the program will be cost effective.

The program meets three objectives and criteria for interim programs. It allows relatively quick start-up because a regional program already exists. It supports small businesses (as well as large). It creates favorable market conditions for efficient products because its cooperative approach to changing the stocking practices of product vendors educates vendors on the energy savings attributes of the newer technologies, and promotes lasting change in the market.

Appendix B contains a chart that summarizes the success of each candidate program in meeting the cost effectiveness test, the objectives, and the criteria for interim programs.

VI. PROCESS FOR CHOOSING INTERIM PROGRAMS

As mentioned above, the Conservation Act imposes no requirements regarding the Commission's decision-making process before implementing interim conservation programs. We believe that section 7 implies, and our experience during legislative hearings confirms, that the Legislature prefers to avoid unnecessary delay in revitalizing Maine's electric conservation program. Accordingly, before implementing interim programs, we must balance the need to obtain information that will allow us to use ratepayer money efficiently with the Act's intention that interim conservation programs be implemented quickly.

With this balance in mind, we will strive to obtain input from entities with technical and policy knowledge in the most expeditious manner possible. We will not attempt to reach consensus among stakeholders; rather, we will obtain enough information to implement programs that have a reasonable likelihood of meeting the goals we outlined earlier in this Order.

The Commission issues this Proposed Order to obtain comments from interested persons. Comments should address goals, cost effectiveness tests, specific programs, the decision making process, and any other issue a commenter considers relevant to our choice of interim programs. Interested persons should submit comments to the Commission's Administrative Director, 242 State St., Augusta, Maine 04333, no later than May 8, 2002.

A public hearing will be held on May 10, 2002, at 9:30 a.m., at the Commission's offices at 242 State Street, Augusta. At the hearing, persons may comment on any issue addressed in this Proposed Order and on any other issue relevant to our choice of interim programs. In addition, we encourage interested persons to submit written comments no later than May 17, 2002.

Please notify the Commission if reasonable special accommodations are needed to make the hearing accessible to you, by calling 1-287-1396 or TTY 1-800-437-1220 at least 48 hours before the hearing.

In addition to this formal input process, during the next five weeks the Commission (primarily through its Staff) intends to engage in the following informal process before implementing interim programs:

A. Maine Delivery Entities. We will confer with each entity that is currently delivering conservation programs in Maine, to examine the benefits and costs of existing programs. These entities include T&D utilities, Maine State

Housing Authority, and the Department of Economic and Community Development.

B. Other States and Regional Delivery Entities. We will confer with other states – notably New England states, New York, and Oregon - regarding their conservation programs. We will confer with NEEP, CEE, and MEEP to determine their programs' costs and benefits. While this exercise may be most valuable in the long term, it will also inform our interim program decisions.

C. State Planning Office. We will confer with SPO and with its consultant to learn the costs, benefits, goals, and issues discovered during SPO's recent two-year planning process.

D. Other Stakeholders. Any interested person who finds the written comments and public hearing to be inadequate for conveying useful information may request a meeting with Commission staff.

The Commission intends to deliberate this Proposed Order and the written and oral comments, and issue a "final" Interim Program Order by the end of May. Before implementing each interim program, we will hold a public meeting at which interested persons may offer information that will improve the effectiveness of the program. Interested persons may also submit information in writing. We expect to implement interim programs throughout the months of June through August.

The time frame we intend to follow is provided in outline form below.

April 26	Issue Proposed Interim Program Order
May 10	Public hearing on Proposed Interim Program Order
May 17	Commenters submit written comments
May 31	Issue Final Interim Program Order
June–August	Implement interim programs.

The Commission's Administrative Division will maintain a service list for this docket. Persons on the service list will receive all documents issued by the Commission or the Presiding Officer. Any person who wishes to be added to the service list for this docket should file a letter with the Commission's Administrative Director, 242 State St., Augusta, Maine 04333, asking to be added to the service list. Any person who asked to be added to the service list after receiving the Commission's Order Extending Utility Energy Efficiency Programs, issued under Docket No. 2002-161, need not submit a second request. This Order shall be sent to all T&D utilities in Maine and to all persons the Commission has identified as participating in the State Planning Office information sessions during its two-year planning process.

Dated at Augusta, Maine, this 26th day of April, 2002.

BY ORDER OF THE COMMISSION

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Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
Diamond

COMMISSIONER ABSENT: Nugent

THIS DOCUMENT HAS BEEN DESIGNATED FOR PUBLICATION